

# **HOUSE . . . . . No. 2605**

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By Mr. Kaufman of Lexington, petition of Jay R. Kaufman and others to establish retiree health care liability funds for the Commonwealth and municipalities. Public Service.

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## **The Commonwealth of Massachusetts**

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### **PETITION OF:**

Jay R. Kaufman	Douglas W. Petersen
Todd M. Smola	John W. Scibak
John P. Fresolo	Louis L. Kafka
Mary S. Rogeness	James B. Eldridge
Michael R. Knapik	

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In the Year Two Thousand and Seven.

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### **AN ACT TO ESTABLISH HEALTHCARE LIABILITY FUNDS FOR THE COMMONWEALTH.**

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1     Chapter 32A of the General Laws, as so appearing, is amended by  
2     inserting at the end thereof the following new section:—  
3       Section 24. The commission shall establish and update triennially  
4     a retiree healthcare funding schedule which shall commence on the  
5     fiscal year beginning on July first, two thousand and seven and shall  
6     be designed, consistent with standards issued by the governmental  
7     accounting standards board, to reduce the unfunded post-employ-  
8     ment benefits to zero as of an actuarially acceptable period of years  
9     and to meet the normal cost of all future such benefits for which the  
10   commonwealth is obligated. Said schedule and any further updates  
11   thereto shall be reviewed by the senate committee on ways and  
12   means and approved by the house committee on ways and means.  
13       Notwithstanding any general or special law to the contrary, there  
14   shall be a retiree healthcare liability fund, to be administered by the  
15   pension reserves investment management board, in accordance with  
16   the provisions of section 23 of chapter 32, for the purpose of  
17   depositing, investing and disbursing amounts set aside to meet the

18 liabilities set forth in the retiree healthcare funding schedule and any  
19 future updates thereto. In each fiscal year, there may be an appropri-  
20 ation made to the retiree healthcare liability fund as required by the  
21 retiree healthcare funding schedule and any future updates thereto.  
22 Any federal reimbursements, that the commonwealth receives as a  
23 participant in the retiree drug subsidy program created under the  
24 Medicare Prescription Drug, Improvement, and Modernization Act  
25 of 2003 (Pub. L. No. 108-173), and any transfers, authorized in  
26 section 3 of chapter 29D, shall be deposited in said fund.